

Agreement between

FEDERAL MARINE & DEFENSE SERVICES, LLC  
(Federal Marine)

and

INTERNATIONAL ASSOCIATION OF MACHINISTS  
AND AEROSPACE WORKERS, DISTRICT LODGE 160  
LOCAL LODGE 2379

and

INTERNATIONAL BROTHERHOOD OF BOILERMAKERS,  
IRON SHIPBUILDERS, FORGERS, WELDERS & HELPERS  
OF AMERICA, AFL-CIO, LOCAL #104

PREAMBLE

SECTION 1. This agreement is made by and between FEDERAL MARINE and INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, DISTRICT LODGE 160, LOCAL LODGE 2379 and INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIPBUILDERS, FORGERS, WELDERS & HELPERS OF AMERICA, AFL-CIO, LOCAL #104.

ARTICLE 1  
SCOPE

This agreement shall cover all production, repair and maintenance employees within the Washington bargaining unit(s) in the employ of the Company signatory hereto. It shall apply to all work and activities of the Company performed in Seattle and Tacoma in connection with the construction, conversion, repair or scrapping of any vessel including, but not limited to, dredges, floating drydocks, offshore drilling vessels, barges, mobile drilling platforms and all auxiliary equipment used in conjunction therewith. Any Unit employee directed by the Company to work temporarily at any other location, domestic or foreign, shall remain covered by this Agreement.

ARTICLE 2  
NON DISCRIMINATION

SECTION 1. The Employer shall have the right to determine the competency and qualifications of its employees; provided however, no employee shall be discriminated against or jeopardized in seniority standing or suffer any loss of employment on account of Union membership or legal Union activity so long as such activities are not carried on during working hours so as to interfere with production at the plant, or on the job site.

## SECTION 2. Hiring.

- (a) The Employer agrees that when additional employees are required the Local Union will be given as much advance notice as possible, but not less than twenty-four (24) hours so that the Union may have a reasonable opportunity to refer applicants for employment. The period of notice will commence when the appropriate Union receives such notice by telephone from the Employer. Such notice, including the number and qualifications of the employees required, shall be given by the Personnel Department or other designated representatives of the Employer. The Union agrees that it will, upon request of the Employer, refer experienced employees, when available, to the Employer for the classifications covered by this Agreement.
- (b) The Employer retains the right to reject any job applicant referred by the Unions. The Employer may discharge any seniority employee for just and sufficient cause and upon written request by the Union will furnish the Union in writing the reason for termination and eligibility/ineligibility for rehire and date of discharge.
- (c) The Employer may request any unemployed person by name and the Union shall refer such person after compliance with the Seniority Article.
- (d) If the Employer hires persons other than those referred by the Union, it shall advise the Shop Steward within two (2) working days after such person is hired, as to the name, address, social security number, date of hire, classification and rate of pay of such employee. The same information shall be furnished in writing by the Employer to the Shop Steward within forty-eight (48) hours after the termination of such employee.
- (e) All employees referred to the Employer by the Union under this Article shall submit to the making of such records as are or may be required by the Employer for the purpose of identification.
- (f) The Union and Employer agree to hold each of the other parties signatory hereto harmless from any money damages and penalties assessed against them by any Government Agency or Court of Law because of any charge of unfair labor practice or act where such practice or act is proximately or solely caused by either the Union or Employer unless such act is a violation of this Agreement.
- (g) The Union agrees that it will not discriminate against non-Union workers in referring workers to the Employer and the Employer agrees that it will not discriminate against Union workers in selecting job applicants referred to it by the Union.
- (h) Upon request, the employer will provide the Union with a current seniority list.

## ARTICLE 3 RECOGNITION

SECTION 1. Federal Marine, hereby recognizes (as far as may be legally admissible) now and during the whole term of this contract, International Association of Machinists and Aerospace Workers, District Lodge 160, Local Lodge 2379.

## ARTICLE 4 UNION SECURITY

SECTION 1. Pursuant to and in conformance with Section 8 (a) 3 of the Labor-Management Relations Act of 1947, it is agreed that all employees coming under the terms of this Agreement shall make application to join the Union within thirty (30) days following the date of employment or within thirty (30) days following the date of signing this Agreement, whichever is the later, and must maintain membership in good standing for the life of this Agreement and any renewal thereof. The Employer shall discharge any employee as to whom the Union through its business agent delivers to the Employer a written notice that such employee is not in good standing in conformity with this Article.

SECTION 2. New hires, on or before the first day of employment, will be advised of the provisions of Section 1 of this Article. Names of new hires will be submitted to the Union within three (3) days of hiring.

SECTION 3. When the Employer issues a termination notice to an employee, a copy of such shall be forwarded to the Union in a timely manner.

## ARTICLE 5 MANAGEMENT FUNCTION

SECTION 1. Subject only to the specific provisions of this Agreement, the management of the plant and the direction of the work force shall be the exclusive function of the Employer; provided however, this shall not be construed as limiting the Union's right under Article 18, Grievance Procedure.

## ARTICLE 6 SENIORITY

SECTION 1. With a view to maintaining the most harmonious relations possible and the utmost teamwork between employees in their various classifications. In all layoffs and recall from layoff, the rule of seniority shall prevail where qualifications, ability, competency and all other factors are equal; provided that an employee shall not be considered as having seniority until completion of at least nine hundred (900) compensable hours in a one year period

The period of time prior to the attainment of seniority is a probationary period; the layoff or discharge of a probationary employee is not subject to the Grievance procedure.

For example: If employees starts in January, they have until the end of December to qualify for seniority, then the twelve (12) month period is extended to the month of January and the month of January of previous year is dropped.

SECTION 2. Once in each three (3) month period lists of working employees and employees on layoff who continue to have seniority rights under Section 1 above, in the bargaining unit with their dates of employment and contract classifications will be furnished by the Employer, or on request when practicable.

**SECTION 3. An Employee's seniority shall be terminated under the following conditions:**

1. If the employee is discharged for cause
2. If the employee quits
3. If the employee fails to report to work at the time specified by the Employer or within forty-eight (48) hours (Saturday, Sunday and holidays excluded)
4. If the employee is absent for three (3) consecutive work days or more without notification to Employer and having furnished Employer with justification for such absence
5. Violation of Article 4, Section 1 (Union Security)
6. If the employee is off the active Employer payroll for a period of more than twelve (12) months for any reason whatsoever

**SECTION 4.**

- (a) The Employer shall be entitled to retain legitimate Lead Workers and Foremen paid on an hourly rate without regard to seniority.
- (b) Lead Workers and Foremen shall be journey and/or mechanics and shall be members of their respective Union.
- (c) The compensation for Lead Workers and Foremen shall be as follows:  
Lead Workers - one dollar and twenty cents (\$1.20) per hour over the Journey rate.  
Foremen – two dollars and forty cents (\$2.40) Foremen per hour over the Journey rate.  
The activities and assignments of Lead Workers and Foremen shall not be restricted.
- (d) Employees promoted to Lead workers shall continue to accrue seniority in the classification from which they are promoted during the time they serve in such capacity. Employees promoted to jobs outside the bargaining unit shall retain such seniority as they had in the classification from which they were promoted as of the day of the promotion.
- (e) Weekend, non-continuation work:
  - (1) Weekly sign-up of employees who are not available for that weekend
  - (2) If employee does not sign up, the employee is obligated to work if called
  - (3) Company will assign from employees not on the list, in accordance with Seniority, section 1

**SECTION 5. Seniority as provided under Article 6 section 1 shall apply to all job calls; except for jobs of ten (10) days or less for which seniority shall not apply.**

## ARTICLE 7 SHIFTS

SECTION 1. Forty (40) hours shall constitute a normal work week, eight (8) hours a day, five (5) days per week, Monday to Friday, inclusive between the hours of 6:00 a.m. and 5:00 p.m. except when legitimate business conditions render it desirable to start the day shift at an earlier or later hour; in such event, the Company will advise the Union of the change of start/quit times. For example, the start/quit time may need to be altered for drydocking, painting, sandblasting, line handling, etc. Employees shall not be required to transfer from their regular assigned shift to another shift more than once a workweek, except however, they may be returned to this regular assigned shift. Any additional transfers will be at the option of the employee except in extreme emergency or shortage of manpower.

- (a) FIRST SHIFT OR REGULAR DAYLIGHT SHIFT: An eight and one-half (8 1/2) hour period, less thirty (30) minutes for meals on the employee's time. Pay for a full shift period shall be a sum equivalent to eight (8) times the regular hourly rate with no premiums.
- (b) SECOND SHIFT: An eight (8) hour period less thirty (30) minutes for meals on Employer time. Pay for a full second shift period shall be a sum equivalent to eight (8) times the straight-time hourly second shift rate as set forth in Schedule A hereof.
- (c) THIRD SHIFT: A seven and one-half (7 1/2) hour period less thirty (30) minutes for meals on Employer time. Pay for a full third shift period shall be a sum equivalent to eight (8) times the straight-time hourly third shift rate as set forth in Schedule A hereof.

SECTION 2. There shall be no regularly scheduled split shifts. However, circumstances beyond the control of the Employer may require the utilization of a split-shift, such as weather, dew point, power failure, fire, acts of God, etc.

## ARTICLE 8 WAGE SCALE

SECTION 1. The classifications and minimum rates of pay for employees covered by this Agreement are set forth in Schedule A, which is attached hereto and made a part hereof.

SECTION 2. When employees are transferred to another classification paying a higher rate, they shall receive the higher rate for the duration of such employment in such classification. This provision shall apply to employees specifically assigned by the Company to temporarily serve as a Lead Worker or classification above Lead Worker.

## ARTICLE 9 OVERTIME

SECTION 1. All hours worked over eight (8) hours, Monday through Friday shall be paid at time and one half (1-1/2). All hours worked on Saturday shall be one and one half time (1-1/2) the straight-time rate. All hours worked on Sunday shall be two (2) times the straight-time rate.

Employees required to work during their regular lunch period shall be allowed a reasonable opportunity to eat their lunch on the Employer's time.

Employees required to work overtime past the quitting time of their regular shift, unless relieved from work at least eight (8) hours before starting to work on their next regular shift, shall be paid the overtime rate for such shift.

## ARTICLE 10 HOLIDAYS

SECTION 1. Each eligible employee shall receive eight (8) times their regular straight-time hourly shift rate of pay for the following holidays: New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and the day after Thanksgiving Day, Christmas Day, the day before/after Christmas Day.

Eligibility for holiday pay:

- (a) The Employees worked their last regular scheduled workday prior to and their first scheduled workday following the holiday. Exception will be made in cases where absence on the workday prior to or the workday following was due to industrial injury, bona fide illness covered by a doctor's certificate, approved leave of absence, or temporary layoff, provided the employee's absence from work for the purpose of this exception by reason of any of the above causes is not for a total period in excess of two weeks. For the purpose of this section, temporary layoff shall be considered as one of two weeks or less in duration.
- (b) A seniority employee has been in the active employ of the Employer for fourteen (14) calendar days immediately preceding the holiday. A non-seniority employee has been in the active employ of the Employer (worked a minimum of twenty-two (22) days) during the thirty (30) calendar day period immediately preceding the holiday.

SECTION 2. All time worked on the aforesaid holidays shall be compensated for at the double time rate.

SECTION 3. Holiday on Saturday and/or Sunday: If a holiday set forth falls on Saturday, the preceding Friday shall be observed as the holiday. If a holiday set forth falls on a Sunday, the following Monday shall be observed as the holiday.

SECTION 4. Should any of the above holidays fall within the vacation period of employees, they shall be paid as set forth above for such holiday, provided they work their last scheduled workday prior to or their first scheduled workday following their vacation period.

## ARTICLE 11 VACATIONS

SECTION 1. All seniority employees covered by this Agreement shall receive vacation with pay each year on their anniversary date of employment.

SECTION 2. Computation of vacation pay: Vacation pay shall be computed at the following percentages of the actual hours worked multiplied by the employee's established straight-time hourly wage (exclusive of shift premiums) being received by the employee calculated on a daily basis and accumulated until the vacation is paid. Vacation pay will be treated separate from other types of pay and wages for the purpose of withholding taxes except in the case of termination.

- (a) First year period: Two (2) percent as computed above.
- (b) Third year period: Four (4) percent as computed above.
- (c) Ten year period: Six (6) percent as computed above.
- (e) Twentieth year period: Eight (8) percent as computed above.

SECTION 3. When employees have accumulated one thousand (1,000) hours in their vacation year for fifteen (15) vacation years, the percentage of vacation pay computed as set forth herein shall be seven and one-half (7 1/2) percent for those hours starting in the sixteenth year.

SECTION 4. To advance from one (1) year period percentage to the next higher, as above provided, an employee is required to accumulate one thousand (1,000) hours or more in the employ of the Employer in any vacation year. Time lost due to an industrial accident in any vacation year not to exceed six (6) months shall be credited at the rate of forty (40) hours per week towards the minimum one thousand (1,000) hours required to advance to the next year's period percentage. Employees whose previous employment with the Employer was terminated will not receive percentage credit for previous employment. Employees recalled-from-layoff while still holding seniority will remain at the same vacation percentage as at time of layoff.

SECTION 5. The vacation year for vacation pay, time and hours- worked shall be the employee's anniversary date-to-anniversary date.

SECTION 6. Vacation periods or vacation pay are not cumulative from year to year and the vacation shall be taken at time mutually agreeable between the Employer and the employee.

SECTION 7. Vacation pay accruing to employees within their vacation year as described above shall be paid to employees upon completion of their vacation year. If employees are terminated for reasons other than lay off due to reduction in force, prior to the completion of their vacation year they shall be paid in full such vacation pay as may have accrued under the terms of this Article. Employees laid off for thirty calendar days without being recalled will be paid their accrued vacation the first working day following the 30th day.

## ARTICLE 12 REPORT-PAY and CALL-BACK-PAY

SECTION 1. Report-Pay: Employees who report to work at their normal start time, unless advised by the Company at least eight (8) hours prior to such time not to report for work, shall be guaranteed a minimum of four (4) hours work unless voluntarily waived by such employee.

SECTION 2. Call-Back Pay: Employees who are directed by the Company to return to work following their normal shift end and before the next regular shift start time shall be guaranteed a minimum of two (2) hours overtime pay at the appropriate overtime rate.

SECTION 3. In the event of an emergency such as fire, flood, power failure, etc., beyond the control of the Employer (alleged lack of work cannot be construed as emergency) or where the employee voluntarily quits, is laid off or is discharged, the foregoing requirements shall not be applicable and the employee shall be paid for actual time worked.

### ARTICLE 13 JURY DUTY

Seniority employees who are called for jury duty and serve as jurors on regularly scheduled work days shall be paid the difference between the amount received for such service and their straight-time hourly earnings, not to exceed eight (8) hours per day for forty (40) hours per week, with a two (2) week maximum. Any second and third shift employee called for jury duty shall be transferred to the day shift for the period of jury duty.

### ARTICLE 14 SAFETY

SECTION 1. The Employer shall comply with all safety, health and sanitation measures as required by the Federal Occupational Safety and Health Act. The employees shall comply with safety, health and sanitation standards, actions and conduct.

SECTION 2. Employees suffering an industrial injury who are advised not to resume work by a Nurse, First Aid attendant or by a Physician to whom they have been referred, shall be paid on their usual basis, pursuant to the terms of the Agreement, to the end of the shift on which the injury occurred. If employees reported such injury immediately following its occurrence to the Nurse, First Aid Attendant or Physician and completed working during the shift during which they were so injured, and on the following day, after reporting for work, are advised by the Nurse, First Aid Attendant or Physician not to continue work because of said injury, they shall be paid to the end of said shift.

SECTION 3. To qualify for such payment, the employee shall present to Employer a written certification from the attending physician describing the injury, the date of the injury and the treatment prescribed.

SECTION 4. It is the express intent of the Company and the Union that matters dealing with safety shall, when possible, be presented first to the Employer and/or safety committee with adequate time to respond prior to the matter being referred to governmental agencies.



## ARTICLE 15 UNION REPRESENTATIVE

Business representatives of the Union, upon application to the main offices of the Company or in the case of night shifts to the supervisor in charge, will be allowed reasonable access to the shops for the purpose of investigating grievances arising under this contract, provided they do not interfere with production on job site.

The Union shall have the right to select, from among the active employees, representatives on each working shift to be designated shop stewards as needed.

The Union shall advise the Employer in writing of the selection and designation of those stewards.

The Employer shall recognize designated shop stewards as the official representative of the Union on the shift as to matters properly within their jurisdiction. With respect to the performance of the duties of shop steward, the Employer shall, through its foreman, department head and personnel department, receive any proper complaint or grievance as to any matter brought within the scope of this agreement and shall seek to adjust the matter with the steward in the manner otherwise provided within this agreement for the adjustment of complaints and grievances.

The Union and the Employer each recognize that it is desirable and important to the proper performance of the duties of shop steward that the employee so designated be familiar with the work and the labor agreements.

The Employer and the Union recognize that it is desirable, insofar as is practicable, that stewards receive their fair share of the work for which they are qualified by reason of skills, classifications and certification. In the event of lay-off, the Union may select from among the designated shop stewards, one steward to be exempt from lay-off in seniority order, which employee shall be retained so long as work remains for which the employee is qualified by skills, classification and certification.

## ARTICLE 16 PAY DAY

SECTION 1. Employees shall be given their paychecks prior to the end of their regular work shift on payday. All regular paychecks shall have a detachable stub or equivalent which will set forth the amount of the check, hours worked, and an itemized list of deductions. Employees who get laid off shall receive all wages due them on the next scheduled pay period after the termination of their employment; unless other agreements are made. Employees who quit of their own volition shall receive all wages due them on the next regular pay period following their date of termination. Friday shall be the scheduled pay period and Thursday for second shift and third shift. If a holiday immediately proceeds the weekend (i.e. Friday, Thursday & Friday; Wednesday, Thursday & Friday) then payday will be the last working day of that week.

The Company reserves the right to institute payday on an every-other-week basis, and payroll direct deposit following a minimum of two (2) months notice to the Union and the bargaining unit.

## ARTICLE 17 NO STRIKE OR LOCK-OUT

SECTION 1. There shall be no lockouts on the part of the Employer, nor suspensions of work or strikes on the part of the Employees. This Agreement is a guaranty that for its duration there will be neither strikes nor lockouts, and that all complaints, grievances or disputes arising under its provisions will be settled pursuant to its grievance machinery, Article 18, Grievance Procedures. Any action of the employees in refusing to go through a picket line for their own protection in case of an officially declared strike by some Union directly working on the job, if said strike is sanctioned and approved by the International Association of Machinists and Aerospace Workers, District Lodge 160, Local Lodge 2379, shall not constitute a violation of this clause of the Agreement or be cause for discharge.

## ARTICLE 18 GRIEVANCE PROCEDURES

A grievance is defined as a dispute between the parties as to the meaning or application of a specific provision(s) of this Agreement. Grievances will be settled as promptly as possible in the following manner:

Step 1: The employee or shop steward shall bring the grievance to the attention of the immediate supervisor (or controller if the supervisor is not available) within five (5) working days from the date it arises, or within five (5) working days from the date it should have reasonable been known to exist.

Step 2: If the grievance is not satisfactorily adjusted within two (2) working days after it has been presented to the Company official, the shop steward or the Business Representative of the affected Union shall reduce the grievance to writing, describing the incident, citing the article alleged to have been violated, and stating the remedy requested, and submit the grievance to the Controller within twelve (12) working days from the date of the incident or from the date it should have reasonably been known to exist.

The Business Representative and the Controller or their designee shall meet within five (5) working days of receipt of the written grievance and try to resolve the grievance. The Company shall give a written response to the Business Representative within five (5) working days of the Step 2 meeting. The parties may mutually agree in writing to extend the time limits of Step 2.

Step 3: If no satisfactory solution eventuates from Step 2 within five (5) working days, then either party may within five (5) days thereafter request in writing a meeting to be held with representatives of the Washington State Boat Builders & Associates, Inc. and representatives of the International Union involved in the dispute. Any settlement reached shall be final and binding.

The parties may mutually agree in writing to extend the time limits of Step 3.

Step 4: If no satisfactory solution eventuates within ten (10) working days of the conclusion of any Step 3, then either party may within an additional ten (10) working days thereafter give written notice of arbitration to the other party.

In the event the parties shall be unable to adjust any complaint, grievance or dispute involving the express terms of this Agreement, such complaint, grievance or dispute shall be referred to an impartial arbitrator. The parties shall attempt to mutually agree upon the arbitrator. Failing that, the party desiring to arbitrate shall send a request by mail to the Director of the Federal Mediation and Conciliation Service requesting the Director to furnish a list of seven (7) Washington-Oregon arbitrators. The final arbitrator shall be determined by the Union and the Company alternately striking names from the list. The party to strike first shall be determined by lot. The party whose position is not upheld shall pay the arbitrator's fee. In the case of a split decision, the arbitrator shall determine the allocation of fees. All other expenses shall be paid by the party incurring them.

The decision of the arbitrator shall be final and binding upon the parties. Such decision shall be limited to interpretation and application of the express terms of this Agreement and shall not change or add to any of its terms or conditions. The arbitrator's decision shall specify whether or not the decision is retroactive and the effective date thereof.

No employee shall refuse to work or otherwise curtail production or engage in any slow down or interfere with Employer's Operations because of any complaint, dispute or grievance which the employee may have.

If the Employer has any complaint, dispute or grievance with the Union or any employee covered by this Agreement, the Employer shall likewise avail itself of any or all of the foregoing grievance procedural steps. Failure of the responding party to respond within the specified time limits will result in the grievance being advanced to the next step.

## ARTICLE 19 PRODUCTION LIMITS

Under no consideration shall piece, task, or bonus system be allowed.

## ARTICLE 20 HEALTH AND WELFARE

Effective August 1, 2008, the Company will remit to Machinist Health and Welfare Trust the following monthly amounts on behalf of each employee from either bargaining unit who receives compensation for eighty (80) or more hours in the preceding month:

\$657.91 per month for health insurance: Plan #15

31.96 per month for "Preventive"

75.29 per month for dental: NW IAM Benefits Trust plan #127

7.60 per month for vision: Plan 2

8.40 per month for \$200 weekly time loss

1.45 per month for \$5000 life insurance

\$782.61 total per month

SECTION 2. Effective August 1, 2008, the employee's premium-cost-share of the benefits of Section 1 above is \$25.71 per week. In addition, any future cost increases to maintain Section 1 benefits will be shared equally (50/50) between the Company and each eligible employee. Any employee's cost share shall be effected via payroll deduction.

SECTION 3. Upon failure of the Employer to make any of the payments required by Article 22, the Union shall refer the matter immediately to the Company's Labor Relations Representative and the Company's Controller and a meeting of all parties shall be held within five (5) days of notification. Upon failure of the parties to resolve the matter in such meeting, the Union may undertake economic action against such defaulting Employer to enforce prompt payment, and such action shall not be deemed a violation of this Agreement, or any of the provisions thereof.

## ARTICLE 21 PENSION PLAN

- (a) Effective August 1, 2008, on behalf of employees in the Machinist Union bargaining unit, the Company shall pay the following amounts into the Western Metals Industry Pension Trust on behalf of all Machinist unit employees following a one-time waiting period of forty-four (44) working days. Upon the completion of 44 working days, contributions will be made retroactive for hours worked from the employee's most recent date of hire:

Effective	Effective	Effective
<u>08/01/08 hrs</u>	<u>08/01/09 hrs</u>	<u>08/01/10 hrs</u>
\$2.00	\$2.15	\$2.25

- (b) In conjunction with Schedule "C", and subsequent to November 7, 2008 (date of ratification) on behalf of employees in the Boilermakers Union bargaining unit, the Company shall pay the following amounts into the Boilermaker-Blacksmith National Pension Trust on behalf of all Boilermaker unit employees following a one-time waiting period of forty-four (44) working days. Upon the completion of 44 working days, contributions will be made retroactive for hours worked from the employee's most recent date of hire:

Effective	Effective	Effective
<u>08/01/08 hrs</u>	<u>08/01/09 hrs</u>	<u>08/01/10 hrs</u>
\$1.85	\$2.00	\$2.10

## ARTICLE 22 FUNERAL LEAVE

In the event a death occurs in the immediate family of seniority employees, they shall receive up to two (2) days (eight hours each day) off with pay at the employee's day shift classification rate so they may be with the family. Also, they will not be penalized for missed time. The immediate family shall be defined as wife, husband, son, daughter, mother and father, stepparent, stepchildren, brother and sister.

## ARTICLE 23 QUALIFICATION CLAUSE

SECTION 1. It is not the intent of either party hereto to violate any laws or rulings or regulations of any government authority or agency having jurisdiction of the subject matter of this agreement. Also the parties hereto agree that in the event any provision of this Agreement is held to be unlawful or void by any tribunal, having the right to do so, the remainder of the Agreement shall remain in full force and effect, unless the parts so found to be void are wholly inseparable from the remaining portions of this Agreement.

SECTION 2. This Agreement contains all the terms and conditions agreed upon by the parties hereto, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall exist between any of the parties hereto. The waiver of any breach or condition of this Agreement by either party shall not constitute a precedent for any further waiver of any such breach or condition.

## ARTICLE 24 TRAVEL, TRIPS AND OUT OF YARD WORK

- (a) Unless otherwise provided for within this Article, when employees are sent to work away from the yard or regular place of employment, such travel shall be considered as time worked and paid at the appropriate rate, i.e., emergency repair jobs, jobs within a thirty-five (35) mile radius of the Company's shop lasting only (1) day.
- (b) The Employer shall provide covered transportation or pay mileage allowance in accordance with the maximum cents per mile allowed by the Internal Revenue Service plus bridge tolls if employees are required to furnish their own transportation from the Employer's place of business to the job site.
- (c) (1) On out of yard jobs within a thirty-five (35) mile radius from the Company's shop location in Seattle and the Everett Naval Base, lasting longer than one (1) working day, the location of the job shall be considered the place of employment and the employees shall report directly to such job at the regular starting time of their established shift without travel time. The Employer shall pay all tolls not ordinarily paid by the employee.
- (d) If employees are sent to work out of town, they shall receive suitable board, lodging, and transportation.
- (e) If employees are required to travel on overtime days out-of-state, they shall be paid travel pay at the established overtime rate for time spent traveling up to a maximum of eight hours in any one day.
- (f) Not more than eight (8) hours pay shall be paid for travel time in any one-day of twenty-four (24) hours computed from the starting time of the employee's regularly assigned shift.
- (g) When employees are required to work at sea or are assigned to vessels on trial trips, they shall receive regular shift pay, meals, and room accommodations when necessary. If employees are

required to work outside of their regular assigned shift hours, or on Saturdays, Sundays or holidays, they shall receive the established overtime pay for such time worked.

- (h) The Company will fill travel assignments under sections "c" via volunteers. Employees who are volunteering will sign a sign-up list for that project. By signing the project volunteer list, the employee is making a commitment to be available for the work pursuant to section "c". The Company will assign such work pursuant to Article 6, Seniority, in the event of a surplus of volunteers. In the event of insufficient volunteers, the Company reserves the right to man the insufficient manpower with personnel from outside the bargaining unit.

## ARTICLE 25 DIRTY WORK

- (a) The parties recognize the nature of work within the shipyard industry requires working in conditions more dirty disagreeable, and unpleasant than in other industries in the trades. Therefore, it is the intent of the parties to limit the applicability of dirty pay to mechanics and helpers in situations that are exceptionally dirty, disagreeable, or unpleasant relative to shipyard work. The Ship Superintendent, in consultation with the shop steward as necessary and/or as available shall determine in advance what areas warrant dirty pay or human waste pay, but shall not exercise this prerogative arbitrarily. The Company shall provide necessary appropriate protection (clothing, gloves, breather) when working on septic systems. It is not the intent of this provision to discontinue the use of tank cleaning and other cleaning services. The Company will implement a policy to flush and sanitize all septic systems prior to beginning repair work. The dirty pay penalty will be paid at the rate of time and one-half (1-1/2). However, when cleaning or working in septic tanks containing human waste, double time (2T) shall be paid for all classifications.
- (b) When an employee's clothing or body becomes soaked or contaminated with human waste, water or oil due to circumstances beyond the employee's control, and when the incident is properly reported, the employee shall be given a reasonable opportunity, on the Company's time, to clean up and/or change clothing. When circumstances require employees to leave the yard or job site (outside job), they shall be compensated (not to exceed two (2) hours) at the normal straight time rate. If the incident occurs less than two (2) hours before the end of the shift, they shall be paid at the appropriate rate until the end of the shift.

## ARTICLE 26 TOOLS

SECTION 1. Employees will be furnished all power tools. They shall use all reasonable care in the use of tools and return them to the custody of the Employer when no longer used. Employees shall have sufficient time prior to the end of each shift to put away tools on the Employer's time.

Determination of sufficient time shall be at the Employer's discretion.

SECTION 2. The Employer shall reimburse the employee for the loss of hand tools and/or toolboxes. Due to fire, theft, or catastrophe on the Employer's premises, or while in the service of the Employer,

less \$25.00 on such loss, provided that such loss is not caused by the employee's negligence. Claims will be honored only for tools and/or toolboxes which have been listed on an appropriate inventory form furnished by and filed with the Employer.

ARTICLE 27  
EFFECTIVE DATE AND DURATION

SECTION 1. This Agreement will become effective on date of ratification unless otherwise provided herein and shall remain in effect for three (3) years through July 31, 2011, and from year-to-year thereafter, unless either party shall at least sixty (60) days but not more than one hundred and twenty (120) days prior to August 1, 2011, or any subsequent anniversary date, notify the other part in writing of a desire to change, modify, or terminate the Agreement.

FEDERAL MARINE &  
DEFENSE SERVICES, LLC

By   
President

Date \_\_\_\_\_

INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE  
WORKERS, DISTRICT LODGE 160, LOCAL  
LODGE 2379

By 

Date 12/15/08

INTERNATIONAL BROTHERHOOD OF  
BOILERMAKERS, IRON SHIPBUILDERS,  
FORGERS, WELDERS & HELPERS OF  
AMERICA, AFL-CIO, LOCAL #104

By 

Date 1/6/09

Company Representative:  
Washington Employers, Inc.

By 

Date 12-5-08

**SCHEDULE "A"**  
**CLASSIFICATION AND MINIMUM RATES OF PAY**

1. Classification

	<u>08-01-08</u>	<u>08-01-09</u>	<u>08-01-10</u>
Journey: 100%	\$23.24	\$24.54	\$25.89
Mechanic: 90% of Journey			
Entry level &/or Helper: 70% of Journey			
Second Shift Premium:	\$0.35		
Third Shift Premium:	\$0.50		

2. Employees will normally be hired-in at the 70% rate unless otherwise determined by the Company to be a higher rate. Thereafter, the employee's classification shall be determined by the Company.

3. Employees classified as Helpers shall perform duties such as:

1. Assist higher classified employees
2. May use simple hand tools (hammers, pliers, etc.)
3. May perform work of a routine, repetitive nature where tolerance and precision are not a factor
4. May use power tools such as grinders, sanders, and washers
5. May use forklifts and other material handling equipment
6. Parts and tools chaser
7. Parts cleaner
8. Fire watch
9. Clean up

\*\*\*\*\*

**SCHEDULE "B", FLEXIBLE SHIFTS**

The undersigned parties have agreed that the following optional work week and shifts language may be established for designated projects or time periods. This language modifies the Contract terms that apply to this agreement, only as set forth in the following provisions.



### **Optional Work Week Schedule:**

1. The optional workweek will be comprised of either ten (10) hour shifts Tuesdays through Fridays, in conjunction with twelve (12) hour shifts Saturdays through Mondays or any four (4) continuous ten (10) hour shifts, Monday through Friday.
2. Employees working the Saturday through Monday shift will receive forty (40) hours pay after working thirty-six (36) straight-time hours. Pro-rate payments for non-worked bonus hours will be made for short weeks due to hire in, layoff and shift transfer, and when absences are due to industrial injury, bona fide illness covered by a doctor's certificate, approved leave of absence or other reason approved by the Foreman and Management.
3. To protect the employees ability to work continuous forty (40) hour weeks while changing between shifts, employees may work on their new shift at straight-time on a volunteer basis if the new shift week begins prior to the end of the old shift's weekend period.
4. The Company will endeavor to staff alternate workweeks on a voluntary basis.

### **Ten (10) Hour - Four (4) Day Work Week:**

1. The regular starting time of the day shift shall be between 4:30 a.m. and 7:00 a.m. unless modified, by mutual agreement between the Union and the Employer, when major changes are made to the work force.
2. The regular starting time of the swing shift shall be between 3:00 p.m. and 5:30 p.m. unless modified, by mutual agreement, between the Union and the Employer when major changes are made to the work force.
3. First or Day, Ten (10) Hour Shift: A ten and one-half (10-1/2) hour period, less thirty (30) minutes for meals on employee's time.
4. Second or Swing Shift: A ten and one-half (10-1/2) hour period, less thirty (30) minutes for meals on employee's time. Pay for a full second shift period shall be a sum equivalent to ten (10) times the regularly hourly rate plus seventy-five cents (\$.75) per hour.

### **Twelve (12) Hour - Three (3) Day Work Week:**

1. The regular starting time of the day shift shall be between 4:00 a.m. and 7:00 a.m. unless modified, by mutual agreement, between the Union and the Employer.
2. The regular starting time of the swing shift shall be between 4:00 p.m. and 6:00 p.m. unless modified, by mutual agreement, between the Union and the Employer.
3. First or Regular Shift: A thirteen (13) hour period less sixty (60) minutes for meals on employee's time. Pay for a full second shift period shall be a sum equivalent to twelve

(12) times the regular hourly premium rate plus one dollar (\$1.00) per hour. Two (2) thirty (30) minutes lunch periods, every four (4) hours on employee's time shall be allowed. A lunch period shall be allowed, on the Employer's time, at the end of the shift if required to work overtime.

#### **Twenty-Four (24) Hour Work Day:**

1. The starting of the day shift shall be recognized as the beginning of the twenty-four workday period.
2. Employees shall not be transferred from their regular assigned shift to another shift more than once a week; however, they may be returned to their regular shift. This shall not apply in an extreme emergency or when there is a shortage of manpower. Any violation of this section shall entitle the employee to the overtime rate for the first such shift worked.

#### **Wage Scales:**

1. The Employer agrees to pay to its employees and the Unions agree that their members employed by the Employer, will accept the wage scales as set forth in Schedule "A" of the Master Agreement.

#### **Overtime:**

1. All work performed outside or in excess of an employee's shift hours or workweek hours and on Holidays, shall constitute overtime work and shall be paid at the applicable overtime rate.
2. Established Four Day Work Week: An employee is expected to work forty (40) straight-time hours; four (4) ten (10) straight-time hour shifts. Hours worked in excess of ten (10) hours per day shall be paid at the applicable overtime rate.
3. Established Three Day Work Week: An employee is expected to work thirty-six (36) straight-time hours, three (3) twelve (12) straight-time hour shifts. Hours worked in excess of twelve (12) hours per day shall be paid at the applicable overtime rate.

#### **Holidays:**

1. Employees assigned to the ten (10) hour - four (4) day work week will receive ten (10) times their regular straight-time hourly shift rate of pay for holidays that fall within their scheduled work week.
2. Employees assigned to the twelve (12) hour - three (3) day work week will receive twelve (12) times their regular straight-time hourly shift rate of pay for holidays that fall within their scheduled work week.
3. All other Holiday provisions will remain as set forth in the Master Agreement.

**SCHEDULE "C"**  
**MEMOS OF UNDERSTANDING**

1. Add Boilermakers Local #104 as a joint party to the Agreement but only for any employees hired subsequent to 11-4-08. All employees employed on 11-4-08 shall remain members of Machinist #160 bargaining unit. The understanding between the parties is that subsequent to 11-4-08, the Company will utilize Local #104 for referral of "welders", for all other trades functions such as "fitter" or "pipefitter" or "rigger" the Company will first seek referrals from District #160. In the event District #160 is unable to furnish such applicants that are hired by the Company, the Company will utilize Local #104 as a secondary source for such trade functions. Employees hired through Local #104 shall have their pension contributions remitted to the Boilermakers pension trust. All employees will be covered under the Machinist Health and Welfare Trust.
  
2. Subsequent to November 7, 2008 (date of ratification) on behalf of employees in the Boilermakers Union bargaining unit, the Company shall pay fifteen cents (15¢) per hour into the Boilermaker Local #104 apprenticeship and training fund on behalf of all Boilermaker unit employees following a one-time waiting period of forty-four (44) working days. Upon the completion of 44 working days, contributions will be made retroactive for hours worked from the employee's most recent date of hire.